NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

PAID UP OIL AND GAS LEASE

(No Surface Use)

| whose success is 4.33 Thurs. L. Market and the provisions (including the storage) are placed by the party storage and teases. Us if other provisions (including the storage) are provided by the party the storage and the sto | THE LEASE ACREMENT is made this Rth and A DOLLAR | , 2009, by and between |
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| who were proposed by these or the proposed by the profession of the size of the provision of basis is packed, and provided incl. Internalization of the provision of basis is packed, and provided incl. Internalization of the provision of basis is packed, and provided incl. Internalization of the provision of the provision of basis is packed incl. Internalization of the provision | Phillip (I Struck) (L SIN OIE PERSON) | , 2009, by and between |
| and DALE PROPERTY SERVICES. L.L.C., 2006 Rear Annews. Sults 11th Delian Treas 7500L, so Lessee. No printed profuses of the laste were prepared by the sprill, for the prevalence (notify) to Lessee the for Inches design of the control of the prevalence (notify) to Lessee the following described and, hardward and the control of the prevalence (notify) to Lessee the following described and, hardward and the control of the prevalence (notify) to Lessee the following described and, hardward and the control of the prevalence of the pre | I I I DON'T has I will will touch Town U. 4.1 | /C/ as Lessor, |
| ACRES OF LAND, MGRE OR LESS, BEING LOT(S) ACRES OF LAND, MGRE OR LESS, BEING LOT(S) OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED IN VOLUME PAGE OF THE PLAT RECORDS OF TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED IN VOLUME TO THE PLAT RECORDED OF TARRANT COUNTY, TEXAS, containing to the propose of each recommendation, producing and manking of any glar less the size of the propose of each recommendation, producing and manking of any glar less the propose of each recommendation, producing and manking of any glar less the propose of each recommendation, producing and manking of any glar less than the propose of each recommendation, producing and manking of any glar less than the propose of each recommendation, and the propose of each recommendation and any armal sifes or particle for commendating sease, as well as hydrocarbon and each recommendation and any armal sifes or particle for commendating sease, as well as hydrocarbon and any armal sifes or particle for commendating sease, as well as hydrocarbon and any armal sifes or particle for commendating sease, as well as hydrocarbon and any armal sifes or particle for commendating sease, as well as hydrocarbon and any armal sifes or particle for the sease promotes of determining the amount of any plant-in requisition for resiliant, shall be in force for a primary term of | and, DALE PROPERTY SERVICES, L.L.C., 2100 Ross Avenue, Suite 1870 Dallas Texas 75201, as Lessee. All printe hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by L | essor and Lessee. |
| IN VOLUME TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED IN VOLUME TO THE PLAT RECORDS OF TARRANT COUNTY, TEXAS, OF THE PLAT RECORDS OF TARRATT COUNTY, TEXAS, OF THE PLAT RECORDS OF TARRA | | \ |
| IN VOLUME TARRANT COUNTY, TEXAS, ACCORDING TO THAT CERTAIN PLAT RECORDED IN VOLUME TO THE PLAT RECORDS OF TARRANT COUNTY, TEXAS, OF THE PLAT RECORDS OF TARRATT COUNTY, TEXAS, OF THE PLAT RECORDS OF TARRA | 155 ACRES OF LAND MORE OR LESS BEING LOT(S) 1/0 4 1 4 | BLOCK 5 |
| in the Courtly of Tarrant, State of TEMS, containing | | TION, AN ADDITION TO THE CITY OF |
| reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and markeling oal and gas, single with all hydrocarbon, and non hydrocarbon substances produced in assessible interest including geochysical/developing comprised passes, as well as hydrocarbon, agest. It addition to the above-described isseed primitise, this lesses also covers accentions and my annual strips or portion of commercial gases, as well as hydrocarbon, agest. It addition to his above-described isseed primitise, this lesses also covers accentions and my annual strips or portion of the land is no covered. For the purpose of determining the amount of any shuf-in royalides hereunder, the number of gross access above specified shall be deemed cornect, whether adultally more or less. 2. This lesses, which is a "paid-up" lesses requiring on rentals, shall be in force for a primary term of | IN VOLUME 309 PAGE 50 OF THE PLAT RECORDS O | F TARRANT COUNTY, TEXAS. |
| substances produced in association therewith (including geophysical/lessmic operations). The term "gas" as used herein includes helium, carbon dixode and other commercial geoses, as well as injectivecturing ages, in a global production of the production of the production of production of the product | in the County of Tarrant, State of TEXAS, containing gross acres, more or less (including any interest) | ests therein which Lessor may hereafter acquire by |
| as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the lessed premises of from lands pooled therewith or this lesse is otherwise maintained in effect pursuant to the provisions hereof. 3. Royalties on oil, gas and other substances produced and saved hereunded poly tesses to Lessor a follows: (a) For oil and other flouid hydrocarbons separated at lessee's separator foolities, the royalty shall be \(\frac{TME/DT/I = \textit{DEF/CAST}}{ME/DT/I = \textit{DEF/CAST}} \) controlled to the continuing right to proclass such production to lessor at the wollhead or to Lessor's credit at the oil purchasers' transportation hacilities, provided that Lessee's application to the continuing right to purchase such production of production for a substances, paying and all other such access to the production of all the production of partial production of a substances covered hereby, the royalty shall be \(\frac{ME/CAST}{ME} \) of the proceeds resized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, or substances, provided that Lessee shall have the continuing right to purchase such production at the prevaling well-based market price paid for production the same for essents preceding date as the dato on which Lessee commercial tips out the substances, provided that Lessee shall have the continuing right to purchase such production at the production of similar quality in the same field (or if there is no such process the provaling in the same feeld, then in the nearest field it which there is such a prevailing probe pursuant to comparatible purchase contracts entered to the production in the same or nearest preceding date as the dato on which Lessee commercial tips out the same for seasons and the contract of the same | substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used h commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also colland now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate of | nerein includes helium, carbon dioxide and other overs accretions and any small strips or parcels of n consideration of the aforementioned cash bonus, description of the land so covered. For the purpose |
| as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the lesses of the production of the lesses of the | 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of $FIIF$ | (5)years from the date hereof, and for |
| separated at Lessee's separator facilities, the royalty shall be Turny Performance of the wellhead or to Lessor's child at the oil purchasers it arrangoration facilities, provided that Lessees shall not confirming right to purchase such production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing proof for producting or production at the wellhead market price then prevailing in the same field (or if there is no such price then prevailing proof for producting or production of the prevailing proof for production of the prevailing proof purchase such production at the prevailing wellhead market price paid for production of similar production at the prevailing wellhead market price paid for production of similar production of the prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on the same or heavest production of similar production of the production of similar production of the production of similar production of the production | as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased prem otherwise maintained in effect pursuant to the provisions hereof. | |
| the wellhead market pice then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a pusuality project proproduction of admiting rade and gravity. (b) for gas (including casing head gas) and all other substances covered hereby, the royally shall be public of the proceeds realized by Lessee from the sale thereof, less a proportionale part of ad valorem taxes and production, and the cost including the processing or otherwise marketing such gas or other substances, provided that It uses each and the cost including the processing or otherwise marketing such gas or other substances, provided that It uses each shall not be confirming in the lessed premises or lands pooled therewith are capable of either producting oil or gas or other substances covered hereby in paying quantities or such wells are wellful or production in the lessed premises or lands pooled therewith are capable of either producting oil or gas or other substances covered hereby in paying quantities or such wells are wellful or production there has no such producting in paying quantities for the purpose of maintaining this lesse. If for a period of g0 consecutive days such well or wells are shuffly or production there have been purpose of maintaining this lesses. If for a period of g0 consecutive days such well or wells are shuffly or production there from is not being sold by Lesses, exceed the purpose of maintaining this lesses, but the paying of production there from is not being sold by Lesses, exceed the purpose of maintaining this lesses, such paying sale double, or or before the end of said 30-day period while the well or wells are shuffly or production there from is not being sold by Lesses exceed the paying the paying sold by Lesses, provided that if it is lesses is otherwise being maintained by operations, or if production is been good by Lesses from another well or wells on the lessed premises or lands pooled therewith, no shuff in royalty that in orga | separated at Lessee's separator facilities, the royalty shall be $\overline{Iu} = N h I - V \in V \in V \cap V \cap$ | production, to be delivered at Lessee's option to |
| Experience (Chiffer acides taxes and the costs incurred by Lossee in delivering, processing or of therewise marketing has or other substances, provided that Lossee shall have the continuing right to purchase such production at the prevailing price) processing or of therewise marketing has or other substances, provided that Lossee shall have the continuing right to purchase such production of which the real search are prevailing price) pursuant to comparable purchase contracts entered into on the same or nearest preceding date as the date on which Lessee commences by purchases hereunder; and (c) if at the end of the primary term or any time thereated on the contract of the producting oil | the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, | , then in the nearest field in which there is such a |
| have the confining injet to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field, then in the nearest field in which there is such a prevailing price pursuant to prevail proper part production of similar quality in the same or nearest preceding date as the date on which Lessee commences its purchases hereunder; and (c) if at the end of the primary term or any time thereafter one or more wells on the lessed premises or lands pooled therewith are capable of either producing oil or gas or other substances couch well or wells are walling on hydraulic fracture stimulation, but such well or wells are either shuf-in or production there from is not being sold by Lessee, then Lessee shall pay shuf-in royally of one dollar per acre then covered by this lesse, such payment to be made to Lessor or to Lessor's credit in the depository designated to allow, on or before the end of said 90 day period and therenable on or before each ammore say of the end of said 90 day period and therenable on or before each ammore say of the end of said 90 day period and therenable on or before each ammore say of the end of said 90 day period and therenable on or before each ammore say of the end of said 90 day period and therenable on or before each ammore say of the end of said 90 day period and therenable on or before each ammore say of the end of said 90 day period and therenable on the production of the say of the end of said 90 day period and therenable on the same of the say of the end of said 90 day period and therenable on the production of the said of the said of the said of the said of said of the s | 1WENTY- PERCENT (20%) of the proceeds realized by Lessee from the sale thereof, less a pro- | portionate part of ad valorem taxes and production, |
| the leased premises or lands pooled therewith are capable of either producing oil or ges or other substances covered hereby in paying quantities for such wells are shalling on hydratulic fracture stimulation, but such well or wells are interest shuft-in or producion there from is not being sold by Lessee, then Leasee shall any shuf-in royalty of one oldar per are then covered by this lease, the payment to be made to Leaser or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period where the producion is being sold by Lessee, provided that if this lease is otherwise being maritained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall render Lessee liable for the amount due, but shall not operate to terminate this lease. 4. All shu-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at instance and the shall be Lessor's address above. Or its successors, which shall be Lessor ab depository agent for receiving payments regardless of changes in the ownership of said and, All gradiessae to the depository of the depository by deposit in the US Mails in a stamped envelope addressed to the depository of the depository payment regardless of the same payment of the payments or tenders may be made in currency, or by check or by payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution, or for any teasor to a constitution of the payment of the pay | have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparab | quality in the same field (or if there is no such price le purchase contracts entered into on the same or |
| be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecuted days such well or wells are shuf-in or production there from is not being sold by Lessee, then the Lessee shall pay shuf-in royalty of one dollar per are then covered by this lease is paying maintained by operations, or if production is being sold by Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall render Lessee lable file the end of the 90-day period next following cassation of such operations or production. Lessees failure to properly pay shuf-in royalty shall render Lessee lable file the end of the 90-day period next following cassation of such operations or production. Lessees estail be paid or tendered to Lessor or to Lessors credit in at lessees demand the shall not operate to terminate this lease. 4. All shuf-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessors credit in at lessees and the payments regardless of changes in the ownership of said land. All gardlesses of the depository or the lessor or to Lessors and the standards and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessees shall constitute proper payment. If the depository should liquidate or be succeeded on another institution, or for any treason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution, or for any treason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper terocrdable instrument naming another institution, or or any treason fail or refuse to accept payments. 5. Except as provided for in Paragraph 3. above, if Lessee drils a well which is incapable of producing in any gaing quantities from the lessee payment in the paying quantities from the le | the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered herel | by in paying quantities or such wells are waiting on |
| depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period while the well or wells are shut-in or production there from is not being sold by Lessee, provided that if this lesse is otherwise in amaintained by operations, or if production is being sold by Lessee from another well or wells on the lessed premises or lands pooled therewith, no shut-in royally shall be due until the end of the 90-day period next following cessation of such operations or production. Lessee's failure to properly pay shut-in royally shall render Lessee liable for the amount due, but shall not operate to terminate this lesses. 4. All shut-in royalty payments under this lesses shall be paid or tendered to Lessor or to Lessor's credit in _at_lessor's address above_or its successors, which shall be Lessor's depository apparents represented in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or by check or by draft and such payments or tenders to Lessor or to the depository should fluidulate or be successor and the proper payment. If the depository should fluidulate or be successor that the provision of the lesses a proper recordate instrument naming another institution as depository agent to receive payments. 5. Except as provided for in Paragraph 3. above, if Lessee drills a well which is incapable of producin institution, or for any relative to the provisions of Paragraph 6 or the action of any operamental authority, then in the except as provided for institution of a complex or lesses on the provisions of Paragraph 6 or the action of any operamental authority, then in the ease of premises or londs production. If all production in the lesses of premises are all consistent of any payment premisers are all consistent premisers and any activation of a separation of more than 90 consecutive days, and it any such operations result i | be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well | or wells are shut-in or production there from is not |
| Lessee from another well or wells on the leased premises of lands pooled therewith, no shut-in royalty shall be due until the end of the 90-day period next following cessation of such operations or production. Lesses's failure to properly pay shut-in royalty shall made Lesses' depository agont for receiving payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in a tenders may be made in currency, or by check or by draft and such payments or tenders to Lessor or to the depository by deposit in the US Mais in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lesses shall constitute proper payment. If the depository should injudicate or be succeeded by another institution, or for any reason fail or refuse to accept payment hercunder, Lessor shall, at Lesseo's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments. 5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called 'dry lote) on live lesses or lands, pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 3 above, if Lessee dominance and the provisions of Paragraph 3 above, if Lessee on the provisions of Paragraph 3 and the advance of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force in the lessed premises or lands pooled therewith within 90 days after completion of operations are something and advanced and the provisions of Paragraph 3 and the production of the primary term, or at any time thereafter, this lesses is not therewise being maintained in force within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lesses is not the production of the primary term, or a transparence of th | depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the | ne end of said 90-day period while the well or wells |
| 4. All shul-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at lessor's address above, or its successors, which shall be Lessor's depository agent for receiving payments regardless of changes in the ownership of said and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should fluidate or be accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution, or, for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument maning another institution as depository agent to receive payments. 5. Except as provided for in Paragraph 3, above, if Lessee drills a well which is incapable of producing in paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) thermal paying quantities (hereinafter called "dry hole") on the leased premises or lands pooled therewith within 80 days after completion of operations on such dry hole or writhin 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefront, this leases shall remain in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefront, this leases shall remain in force but Lessee is then engaged in drilling, reworking or any other operations are sometiment of the producing in paying quantities from the leased premises or lands produced therewith. Or because | Lessee from another well or wells on the leased premises or lands pooled therewith, no shut-in royalty shall be due until the | e end of the 90-day period next following cessation |
| draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addressed to the depository or to the Lessor at the last address known to Lessee shall constitute proper payment. If the depository should fliquidate or buckeded by another institution, or for any reason fail or refuse to accept payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution, or for any reason fail or refuse to accept payments. 5. Except as provided for in Paragraph 3. above, if Lessee drills a well which is incapable of producing in paying quantities, periodic delivery of the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lesse is not otherwise being maintained in force if the sec commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining production on the lessed premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lesses shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations restor in the production of all or production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities from the leased premises or lands pooled therewith. There shall be no covenant to drill capable or producing in paying quantities from the leased premises or lands produced therewith, and the leased premises or lands produced the leased premises or lands produced the leased premises or lands produc | 4. All shut-in royalty payments under this lease shall be paid or tendered to Lessor or to Lessor's credit in at lesso | r's address above or its successors, which shall |
| payment hereunder, Lessos rall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another institution as depository agent to receive payments. 5. Except as provided for in Paragraph 3. above, if Lessee cifils a well which is incapable of producing in paying quantities (hereinafter called "of yhole") on the leased premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lesse is not otherwise being maintained in force but he payments. In the case of premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities result of liver in the leased premises as the producing in paying quantities as a reasonably put entry operations. It is also the leased premises as the producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other leads not pooled therewith. There shall be no covenant to drill exploratory wells or any of proper to do so in order to prudently develop or operate the leased p | draft and such payments or tenders to Lessor or to the depository by deposit in the US Mails in a stamped envelope addre | essed to the depository or to the Lessor at the last |
| premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from any cause, including a revision of unit boundaries pursuant to the provisions of Paragraph 6 or the action of any governmental authority, then in the event this lease is not otherwise being maintained in force if shall nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 30 days after completion of operations on such dry hole or within 90 days after such cessation of any the production. If at the end of the primary term, or at any time threafter, this lease is not otherwise being maintained in force is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands posted therewith, or (b) to protect the leased premises or lands pooled therewith, or (b) to protect the leased premises or lands pooled therewith, or (b) to protect the leased premises or lands pooled therewith, or (b) to protect the leased premises or lands pooled therewith, or (b) to protect the leased premises or lands pooled therewith, or (b) to protect the leased premises or lands production, whenever Lessee deems if necessary or protect to do so in order to prudently develop or operate the leased, premises, whether or not interest therein with any other lands or interests, as to any o | payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a proper recordable instrument naming another ins | titution as depository agent to receive payments. |
| nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional well or for otherwise obtaining or restoring production on the leased premises or lands pooled therewith within 90 days after completion of operations on such dry hole or within 90 days after such cessation of all production. If at the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities on the leased premises or lands product therewith as a reasonably prudent operator would drill under the same or similar circumstances to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein. 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 30 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jur | premises or lands pooled therewith, or if all production (whether or not in paying quantities) permanently ceases from a | any cause, including a revision of unit boundaries |
| the end of the primary term, or at any time thereafter, this lease is not otherwise being maintained in force but Lessee is then engaged in drilling, reworking or any other operations reasonably calculated to obtain or restore production therefrom, this lease shall remain in force so long as any one or more of such operations are prosecuted with no cessation of more than 90 consecutive days, and if any such operations result in the production of oil or gas or other substances covered hereby, as long thereafter as there is production in paying quantities from the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities hereunder, Lessee shall drill such additional wells on the leased premises or lands pooled therewith. After completion of a well capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled therewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein. 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well or well which is not a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, and for a gas well or horizontal completion for an oil well or gas well or horizontal completion in the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, i | nevertheless remain in force if Lessee commences operations for reworking an existing well or for drilling an additional we | Il or for otherwise obtaining or restoring production |
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| proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 60 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet per barrel and "gas well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall file of record a written declaration describing the unit and stating the effective date of pooling. Production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production, drilling or reworking operations on the leased premises, except that the production on which Lessor's royalty is cal | 6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein | |
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| making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the | prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determ | nination made by such governmental authority. In |
| leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royaltles are payable hereunder shall thereafter | making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on whi | e date of revision. To the extent any portion of the ich royalties are payable hereunder shall thereafter |
| be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests. | a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-o | conveyance of interests. |
| 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises. | of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the | oyarties payable hereunder for any well on any part e leased premises bears to the full mineral estate in |

18. The Interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations hereafter arising with respect to the transferred interest, and failure of the transferse to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released.

If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in which Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house of barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking

production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to

water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, not, strike or labor disputes, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, not, strike or labor disputes, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, not, strike or labor disputes, or by finability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lesse or not thereof or interest therein, covered by the offer at the price and according to the between and conditions specified in the offer.

purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other 16.

operations

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE) Phyllis a Hogan By: ACKNOWLEDGMENT STATE OF TEXCIS COUNTY OF Tarra This instrument was ledged before me on the 2009. KISHA G. PACKER POLK Notary Public, State of Texas Notary Public, State of TEX My Cornmission Expires Notary's name (printed): April 15, 2012 Notary's commission expires: STATE OF COUNTY OF This instrument was acknowledged before me on the 2009. day of

> Notary Public, State of ary's name (printed) Notary's commission expires:



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

DALLAS

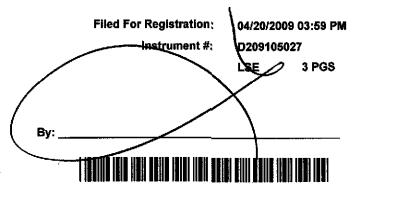
TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00



D209105027

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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